

COPY

CONSENT AND AGREEMENT OF GROUND LESSOR
AND ESTOPPEL CERTIFICATE

This Consent and Agreement is executed this 3rd day of February, 1988, with regard to that certain ground lease (the "Ground Lease") dated June 1, 1987 (as amended on October 27, 1987), wherein the Lessor is Rainier National Bank, Mondo Desimone and Rose D. Maselli, as Co-Trustees under the Last Will and Testament of Giuseppe Desimone, deceased and as Co-Executors of the estate of Assunta Desimone, deceased, and Katherine M. Desimone, individually and as Trustee under the Last Will and Testament of Richard L. Desimone, deceased, and the Lessee is Sabey Corporation, a Washington corporation, which Ground Lease pertains to the real property set forth in Exhibit A, attached hereto (the "Property"). This consent is made with reference to the following facts:

A. Lessee is obtaining a loan from Confederation Life Insurance Company ("Confederation") in the amount of \$8,805,187.01 (the "Loan") to finance certain improvements constructed on the Property.

B. Lessee has entered into a sublease of the Property with Boeing Advanced Systems Company (formerly known as the Boeing Military Airplane Company), a division of the Boeing Company, a Delaware corporation dated July 14, 1987 (as amended in part by the terms of that certain amendment dated as of the closing of the Loan, and Lessor has acknowledged its consent to such sublease.

C. Pursuant to paragraph 25 of the Ground Lease, Lessee may assign its interest in the Ground Lease to a lender for security purposes and Lessor is obligated under the Ground Lease to provide certain notices and consents to such lender.

NOW, THEREFORE, In order to induce Confederation to make the Loan to Lessee, and in accordance with the requirements of the Ground Lease, Lessor states and agrees as follows:

1. Consent. Lessor hereby consents to the assignment by Lessee of its interest in the Ground Lease to Confederation for purposes of security as to Lessee's obligations under the Loan.

2. Status of Ground Lease. The Ground Lease is presently in full force and effect, sets forth the entire understanding of the parties with respect to the Property, replaces any prior

agreements or leases, is valid and enforceable by its terms, and has not been modified or amended, except as stated above. Lessee is not in default (a) in the payment of rent or any other amount under the Ground Lease, or (b) to the knowledge of Lessor, in the observance or performance of any other covenant or condition to be observed or performed by Lessee under the Lease. To the knowledge of Lessor, no event has occurred which does now or will hereafter authorize Lessor to terminate the Ground Lease. There are no liens or encumbrances against the Property senior or prior to the Ground Lease. Lessor has no claims against Lessee arising out of the Ground Lease or Lessee's occupancy.

3. Offsets or Credits. There are no offsets or credits against rentals payable under the Ground Lease, and Lessee has made no payment to Lessor except (i) payments expressly provided for in the Ground Lease or in any amendment or supplement to the Ground Lease described above and (ii) payments made not earlier than ten (10) days to the date upon which such payments are due.

4. Prior Conveyance. Lessor has not sold, assigned or otherwise transferred its interest in the Property, or pledged or assigned any right, title or interest in the Ground Lease.

5. Renewal/Extension. Except as expressly provided in the Ground Lease, Lessee does not have any right to renew or extend the term of the Ground Lease nor any option or preferential right to purchase all or any part of the Property, nor any right, title or interest with respect to the Property other than as Lessee under the Ground Lease.

6. Notice of Default. If Lessee defaults under the Ground Lease or if any event occurs which would give Lessor the right to terminate, modify, amend, or shorten the term of the Ground Lease, Lessor shall take no steps to exercise any right it may have under the Ground Lease without first giving Confederation written notice of its intention to take such action. Such notice of intention shall specify the event or events of default then outstanding. All notices must be in writing and will be effectively given when personally delivered or sent by air courier with charges prepaid, return receipt requested, to the address stated below, or to such other address as Confederation may hereafter designate in writing.

Confederation Life Insurance Company
321 Bloor Street East
Toronto, Ontario,
CANADA M4W 1H1

Attn: U.S. Mortgage Investments

With copy sent by certified mail, return receipt requested to:

Lane Powell Moss & Miller
3800 Rainier Bank Tower
Seattle, Washington 98101

Attn: Charles R. Ekberg

7. Opportunity to Cure. Confederation shall have a period of not less than thirty (30) days after the date of receipt of notice to cure all defaults specified in the notice, or such longer period as may be provided in the Ground Lease.

8. Right to Realize on Security Interest. If any default shall occur, which, pursuant to any provision of the Ground Lease, entitles Lessor to terminate the Ground Lease and if before the expiration of thirty (30) days from the date of service of notice of termination upon Confederation, Confederation shall have notified Lessor of its desire to nullify such notice and shall have paid all rent, additional rent and other monetary obligations of Lessee under the Ground Lease (including, but not limited to, any late charges, interest, attorneys' fees, taxes, assessments, and insurance premiums) which are then in default, and shall have complied or shall commence the work of complying with all of the other requirements of the Ground Lease (other than defaults which by their nature cannot be cured by Confederation) if any are then in default and shall prosecute the same to completion with reasonable diligence, Lessor shall not be entitled to terminate the Ground Lease and any notice of termination theretofore shall be void and of no effect. If Lessor shall elect to terminate the Ground Lease by reason of any default of Lessee, Confederation shall not only have the right to nullify any notice of termination by curing such default as provided above, but shall also have the right to postpone and extend the specified date for termination of the Ground Lease as fixed by Lessor in its notice of termination for a period of not more than six (6) months, provided that Confederation shall, during such six (6) month period:

(a) Pay or cause to be paid the rent, additional rent and other monetary obligations of Lessee under the Ground Lease (including, but not limited to, any late charges, interest, attorneys' fees, taxes, assessments, and insurance premiums) as the same become due, and continue its good faith efforts to perform all of Lessee's other obligations under his Lease, excepting non-monetary obligations then in default and not reasonably susceptible of being cured by Confederation; and

(b) If not enjoined or stayed, take steps to acquire or sell Lessee's interest in the Ground Lease by foreclosure or other appropriate means and prosecute the same to completion with due diligence.

If at the end of such six (6) month period Confederation is complying with subsections (a) and (b) immediately above, the Ground Lease shall not then terminate, and the time for completion by Confederation of its proceedings shall continue so long as Confederation is enjoined or stayed and thereafter for so long as Confederation proceeds to complete steps to acquire or sell Lessee's interest in the Ground Lease by foreclosure or by other appropriate means with reasonable diligence and continuity.

9. Right to Assume Ground Lease. Confederation shall in no event become liable under the Ground Lease unless it becomes the owner of the leasehold estate, and in the event that it becomes the owner of the leasehold estate by purchasing the same at any foreclosure sale or by receiving the same by a deed in lieu of foreclosure, it shall be personally liable only with respect to the obligations of a lessee under the Ground Lease from and after the date of such purchase or assignment, and only for so long as it is the owner of the leasehold estate. Notwithstanding anything to the contrary provided in the Ground Lease, if Confederation becomes the lessee under the Ground Lease by purchasing the leasehold estate at any foreclosure sale or by receiving the same by a deed in lieu of foreclosure, there shall be no personal liability on the part of Confederation with respect to any defaults existing as of the date of such purchase or assignment, and with respect to those pre-existing defaults, Lessor shall look solely to the equity in the leasehold estate in the Property for satisfaction of each and every remedy of Lessor. In addition, any successor to Confederation as a holder of the leasehold estate shall be liable for those obligations which arise upon such successor's acquisition of the leasehold through the expiration of the Ground Lease.

10. Right to Assign. Any assignment of the lease by Confederation shall be valid upon the written consent of Lessor, which Lessor shall not unreasonably withhold if (1) the assignee has credit standing adequate for the performance of the remainder of the Ground Lease, and (2) if the assignee shall deliver to Lessor in due form for recording within ten (10) days after the date of the assignment a duplicate original of the instrument of assignment, and an instrument of assumption by the assignee of all of the Lessee's obligations under the Ground Lease. Upon the assignee assuming and agreeing to perform and to be bound by all of the terms of the

Ground Lease, Confederation shall be relieved of further liability under the Ground Lease.

11. Right to New Ground Lease. If the Ground Lease is terminated for any reason prior to its stated expiration date and prior to its being assigned by Confederation, including, without limitation, any termination arising out of Lessee's bankruptcy pursuant to 11 U.S.C. § 365, Lessor will give prior written notice of such pending termination to Confederation, and Lessor, at Confederation's request, will enter into a new Ground Lease of the Property with Confederation, or its nominee, for the remainder of the term, effective as of the date of such termination, at the net rent and additional rent and upon the covenants and agreements, terms, provisions, and limitations in the Ground Lease; provided:

(a) Confederation makes written request upon Lessor for such new Ground Lease within thirty (30) days from the date of receipt of such notice of termination.

(b) Confederation or its nominee shall pay or cause to be paid to Lessor at the time of the execution and delivery of such new Ground Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to the Ground Lease but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of such termination and the execution and delivery of the new Ground Lease and which have not otherwise been received by Lessor from Lessee or other party in interest under Lessee.

(c) Confederation or its nominee shall agree to remedy any of Lessee's defaults of which Confederation was notified by Lessor's notice of termination and which are reasonably susceptible of being so cured by Confederation or its nominee.

To the extent Confederation has subordinated its security interest in the Ground Lease to a prior lender, as provided in the deed of trust securing the Loan, and Lessor is required under the terms of that subordination (in the event of a termination of the Ground Lease) to enter into a new Ground Lease with said prior lender, the new Ground Lease with the prior lender shall include any necessary provisions (by separate document if required) to restore, as nearly as reasonably possible, all parties which are junior to said lender in priority of their respective security interest in the Property, to the status they had prior to the termination of

the Ground Lease. Any subordination agreement between Confederation and such a subsequent lender shall contain notice of this requirement.

12. New Lease Priorities. If more than one lender requests a new Ground Lease, Lessor shall enter into such new Ground Lease with the lender whose deed of trust is prior in lien, or with the nominee of such lender. Lessor, without liability to Lessee or any lender with an adverse claim, may rely upon a mortgagee title insurance policy issued by a responsible title insurance company doing business within the State of Washington as the basis for determining the appropriate lender who is entitled to such new Lease.

13. Pursuit of Remedies. Lessor will cooperate in the prosecuting of summary proceedings to evict Lessee if Lessee is in default and Confederation has requested the execution of a new Ground Lease. In the event a new Ground Lease is executed with a third party who grants Confederation a security interest in the new Ground Lease, Lessor will execute a new Consent in substantially the same form as this document, when requested to do so by Confederation.

14. Attorneys' Fees. In the event of litigation to enforce or interpret the terms of this Consent, the prevailing party shall, in addition to any other relief, be entitled to recover reasonable attorneys' fees and costs incurred in the trial and any appeal.

15. Binding Effect/Conflict. This Consent shall be binding upon and inure to the benefit of the successors and assigns of Lessor, Lessee, and Confederation. To the extent any terms of the Ground Lease are binding upon Confederation as Lessee's lender, and to the extent there is any conflict between the terms of the Ground Lease, and the terms of this Consent, this Consent shall control. In addition, to the extent of any conflict between Paragraph 25.6 of the Ground Lease and a deed of trust executed by Lessee in favor of Confederation securing the Loan, and to the extent any indebtedness secured by said deed of trust remains outstanding, the terms of the deed of trust shall control the application of all insurance proceeds.

16. Counterparts. This Consent and Agreement may be executed in counterparts, each of which shall be deemed to be an original.

DATED as of the date first above written.

RAINIER NATIONAL BANK, as
Co-Trustee under the Last
Will and Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

By [Signature] Asst. Vice-Pres
By [Signature] RE. Officer
Title _____

MONDO DESIMONE, as Co-Trustee
under the Last Will and
Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

[Signature]
ROSE D. MASELLI, as Co-Trustee
under the Last Will and
Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

KATHERINE M. DESIMONE,
individually

KATHERINE M. DESIMONE, as a
Trustee under the Last Will
and Testament of Richard L.
Desimone, deceased

16. Counterparts. This Consent and Agreement may be executed in counterparts, each of which shall be deemed to be an original.

DATED as of the date first above written.

RAINIER NATIONAL BANK, as
Co-Trustee under the Last
Will and Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

By _____
Title _____

Mondo Desimone
MONDO DESIMONE, as Co-Trustee
under the Last Will and
Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

ROSE D. MASELLI, as Co-Trustee
under the Last Will and
Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

KATHERINE M. DESIMONE,
individually

KATHERINE M. DESIMONE, as a
Trustee under the Last Will
and Testament of Richard L.
Desimone, deceased

16. Counterparts. This Consent and Agreement may be executed in counterparts, each of which shall be deemed to be an original.

DATED as of the date first above written.

RAINIER NATIONAL BANK, as
Co-Trustee under the Last
Will and Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

By _____
Title _____

MONDO DESIMONE, as Co-Trustee
under the Last Will and
Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

ROSE D. MASELLI, as Co-Trustee
under the Last Will and
Testament of Giuseppe
Desimone, deceased, and as
Co-Executor of the Estate of
Assunta Desimone, deceased

Katherine M. Desimone
KATHERINE M. DESIMONE,
individually

Katherine M. Desimone
KATHERINE M. DESIMONE, as a
Trustee under the Last Will
and Testament of Richard L.
Desimone, deceased

Agreed to and approved this 3rd day of February 1988.

CONFEDERATION LIFE INSURANCE
COMPANY, a mutual company
incorporated in Canada

By *[Signature]*
Title Investment Vice-President

By *Heather A. T. Hunter*
Title Asst. Vice-President
U.S. Investments

PROVINCE OF ONTARIO)
) SS:
JUDICIAL DISTRICT OF YORK)

BEFORE ME, a Notary Public in and for the said Judicial District and Province, personally appeared the above named J.C. Curtis and Heather A. T. Hunter known to me to be the Investment Vice-President and Asst. Vice-President, U.S. Invest. respectively, of Confederation Life Insurance Company, and acknowledged the signing of the foregoing instrument to be their, voluntary act and deed, and the voluntary act and deed of the said Confederation Life Insurance Company.

IN TESTIMONY WHEREOF I have hereunto subscribed my name and affixed my notarial seal on the 3rd day of February, 1988.



A NOTARY PUBLIC in and for
the Province of Ontario

EXHIBIT A

AS TO THE FIRST ESTATE HEREIN REFERRED TO AS PARCEL 1:

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND OF GOVERNMENT LOT 7 AND GOVERNMENT LOT 11 IN SECTION 4, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID GOVERNMENT LOT 11 IN SAID SECTION 4;

THENCE SOUTH $89^{\circ}22'06''$ EAST ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 11 OF SECTION 4, A DISTANCE OF 988.27 FEET;

THENCE NORTH $14^{\circ}45'08''$ WEST A DISTANCE OF 477.09 FEET TO AN INTERSECTION OF THE NORTH LINE OF THE SOUTH 460 FEET OF SAID GOVERNMENT LOT 11 OF SECTION 4 AND THE NORTHEASTERLY MARGIN OF PRIMARY STATE HIGHWAY NO. 1, AS ESTABLISHED BY KING COUNTY SUPERIOR COURT CAUSE NO. 529021, SAID POINT OF INTERSECTION BEING THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH $14^{\circ}45'08''$ WEST ALONG SAID NORTHEASTERLY MARGIN A DISTANCE OF 712.51 FEET TO A POINT OF SPIRAL CURVE;

THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN ON A SPIRAL CURVE TO THE LEFT, THE CHORD OF WHICH BEARS NORTH $15^{\circ}07'51''$ WEST A DISTANCE OF 152.94 FEET TO A POINT OF SIMPLE CURVE;

THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 3970.00 FEET THROUGH A CENTRAL ANGLE OF $04^{\circ}55'00''$ AN ARC DISTANCE OF 340.67 FEET;

THENCE SOUTH $40^{\circ}20'44''$ EAST A DISTANCE OF 175.00 FEET;

THENCE SOUTH $56^{\circ}13'15''$ EAST A DISTANCE OF 270.95 FEET TO A POINT ON THE NORTH LINE OF SAID GOVERNMENT LOT 11;

THENCE SOUTH $88^{\circ}47'49''$ EAST ALONG SAID NORTH LINE OF GOVERNMENT LOT 11 A DISTANCE OF 210.00 FEET;

THENCE NORTH $27^{\circ}01'58''$ EAST A DISTANCE OF 720.59 FEET TO A POINT ON A LINE 225 FEET NORTHEASTERLY OF AND PARALLEL TO THE CENTERLINE OF A PROPOSED SOUTHEASTERLY EXTENSION OF THE DUWAMISH WATERWAY;

THENCE SOUTH $41^{\circ}52'02''$ EAST ALONG SAID PARALLEL LINE A DISTANCE OF 950 FEET, MORE OR LESS, TO THE NORTHWESTERLY BANK OF THE DUWAMISH RIVER;

THENCE GOING IN A SOUTHWESTERLY DIRECTION ALONG SAID NORTHWESTERLY BANK OF THE DUWAMISH RIVER A DISTANCE OF 1300 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF THE SOUTH 460 FEET OF SAID GOVERNMENT LOT 11;

THENCE NORTH $89^{\circ}22'06''$ WEST ALONG SAID NORTH LINE A DISTANCE OF 205 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING;

EXCEPT THE STRIP OF LAND FOR CITY OF SEATTLE TRANSMISSION LINE AS ESTABLISHED BY ORDINANCE NO. 82986 OF THE CITY OF SEATTLE; AND

EXCEPT THE LAND LYING SOUTHWESTERLY OF THE SOUTHWEST LINE OF SAID CITY OF SEATTLE TRANSMISSION LINE AS ESTABLISHED BY ORDINANCE NO. 82986 OF THE CITY OF SEATTLE.

EXHIBIT A - continued

AS TO THE SECOND ESTATE HEREIN REFERRED TO AS PARCEL 2:

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND OF GOVERNMENT LOT 7 IN SECTION 4, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 4;

THENCE SOUTH $89^{\circ}22'06''$ EAST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF SECTION 4, A DISTANCE OF 988.27 FEET;

THENCE NORTH $14^{\circ}45'08''$ WEST A DISTANCE OF 477.09 FEET TO AN INTERSECTION OF THE NORTH LINE OF THE SOUTH 460 FEET OF SAID SOUTHEAST QUARTER OF SECTION 4 AND THE NORTHEASTERLY MARGIN OF PRIMARY STATE HIGHWAY NO. 1 AS ESTABLISHED BY KING COUNTY SUPERIOR COURT CAUSE NO. 529021;

THENCE CONTINUING NORTH $14^{\circ}45'08''$ WEST ALONG SAID NORTHEASTERLY MARGIN A DISTANCE OF 712.51 FEET TO A POINT OF SPIRAL CURVE;

THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN ON A SPIRAL CURVE TO THE LEFT, THE CHORD OF WHICH BEARS NORTH $15^{\circ}07'51''$ WEST A DISTANCE OF 152.94 FEET TO A POINT OF SIMPLE CURVE;

THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 3970.00 FEET THROUGH A CENTRAL ANGLE OF $04^{\circ}55'00''$ AN ARC DISTANCE OF 340.67 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN NORTH $11^{\circ}24'57''$ EAST A DISTANCE OF 328.51 FEET TO A POINT OF CURVATURE, THE CENTER OF WHICH BEARS SOUTH $64^{\circ}42'23''$ WEST;

THENCE GOING IN A NORTHWESTERLY DIRECTION ALONG SAID NORTHEASTERLY MARGIN ON A CURVE TO THE LEFT HAVING A RADIUS OF 4190.00 FEET THROUGH A CENTRAL ANGLE OF $02^{\circ}37'29''$ AN ARC DISTANCE OF 191.94 FEET;

THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN NORTH $27^{\circ}01'05''$ EAST A DISTANCE OF 89.78 FEET TO THE SOUTHEASTERLY LINE OF A ROADWAY AS DESCRIBED IN MEMORANDUM OF LEASE RECORDED UNDER AUDITOR'S FILE NO. 4759860, RECORDS OF KING COUNTY, WASHINGTON;

THENCE NORTH $48^{\circ}11'59''$ EAST ALONG SAID SOUTHEASTERLY LINE A DISTANCE OF 442.51 FEET TO A POINT 225 FEET NORTHEASTERLY OF AND PARALLEL TO THE CENTERLINE OF THE PROPOSED EXTENSION OF THE DUWAMISH WATERWAY;

THENCE SOUTH $41^{\circ}52'02''$ EAST ALONG SAID LINE 225 FEET NORTHEASTERLY OF THE CENTERLINE OF THE PROPOSED EXTENSION OF THE DUWAMISH WATERWAY A DISTANCE OF 770.69 FEET;

THENCE SOUTH $27^{\circ}01'58''$ WEST A DISTANCE OF 720.59 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SAID SOUTHEAST QUARTER OF SECTION 4;

THENCE NORTH $88^{\circ}47'49''$ WEST ALONG SAID SOUTH LINE A DISTANCE OF 210.00 FEET;

THENCE NORTH $56^{\circ}13'15''$ WEST A DISTANCE OF 270.95 FEET;

THENCE NORTH $40^{\circ}20'44''$ WEST A DISTANCE OF 175.00 FEET TO THE TRUE POINT OF BEGINNING.